

Comparison of
“Path Specific” and “Injection/Withdrawal”
Approaches

	“Path – Specific”	“Injection/Withdrawal”
Product	Conveys right on specific individual flowpath	Conveys rights on “bouquet” of flowpaths
Investment	<ul style="list-style-type: none"> • Upgrades to individual Flowpath • Mitigation on other affected flowpaths 	<ul style="list-style-type: none"> • Upgrades to multiple Flowpaths • Mitigation on other affected flowpaths
Pricing	<ul style="list-style-type: none"> • Cost of upgrades/mitigation • Cost of maintenance 	<ul style="list-style-type: none"> • Cost of upgrades/mitigation • Cost of maintenance • Risk component
Usage	Will require obtaining additional flowpath rights to match distribution factors.	No additional rights required because of “bouquet”.
Marketability	Can be easily traded and combined.	Can be sold as a package or must be decomposed into individual flowpaths.
Length	<ul style="list-style-type: none"> • Life of asset • Could include rollover right when asset is replaced. 	<ul style="list-style-type: none"> • Life of asset (not sure how this can be done with multiple flowpaths) • Could include rollover right when asset is replaced. (Not sure how this can be done with multiple flowpaths)
Customer Risk	<ul style="list-style-type: none"> • Changes in PDFs. • Changes in zones. • New flowpaths. • Impacts on other flowpaths (positive or negative). 	<ul style="list-style-type: none"> • Impacts on other flowpaths (positive or negative). • Uncertain how risks associated with changes in PDFs, zones, and flowpaths will be shared and priced.
PTO/RTO Risk	Maintaining flowpath ratings.	<ul style="list-style-type: none"> • Maintaining flowpath ratings. • Uncertain how risks associated with changes in PDFs, zones, and flowpaths will be shared and priced.
Additional Requirements		<ul style="list-style-type: none"> • “Reference” schedule • Could require reallocation of rights when system/commercial model changes (depends on allocation of risk).

